

The logo for Indutrade, featuring a stylized white 'IT' symbol followed by the word "Indutrade" in a bold, white, sans-serif font.

An entrepreneurial world
where people make the difference

Q1 Report 2023

Bo Annvik, President and CEO
Patrik Johnson, CFO

27 April 2023

Highlights first quarter 2023

- Stable and high demand levels – order intake up 14% in total of which 3% organically.
 - Strong order development in Energy, Engineering and process industries. Med tech & pharma segment on a continued high level.
- Strong sales, above SEK 8 billion for the first time in a single quarter. Sales growth of 26 percent of which 13% was organic.
- Increased profitability – EBITA increased 28% to SEK 1.2 billion and EBITA margin at 15.2%.
- Cash flow improved significantly. Slight continued inventory build up.
- 3 acquisitions completed in Q1 and 1 so far in Q2, with a combined annual sales of SEK 655 million.

Net Sales

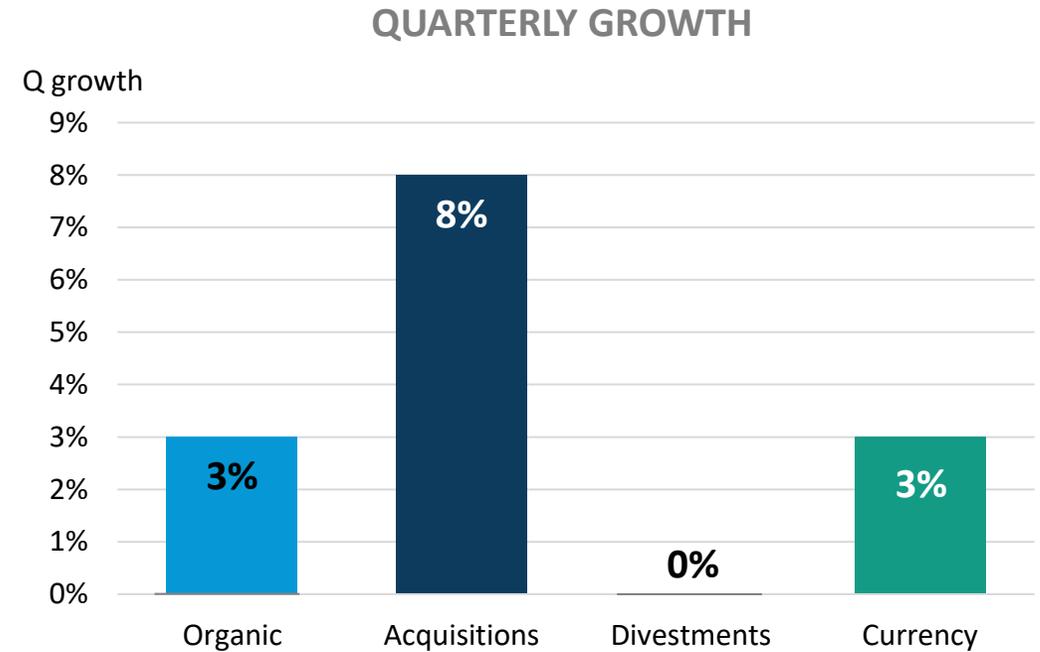
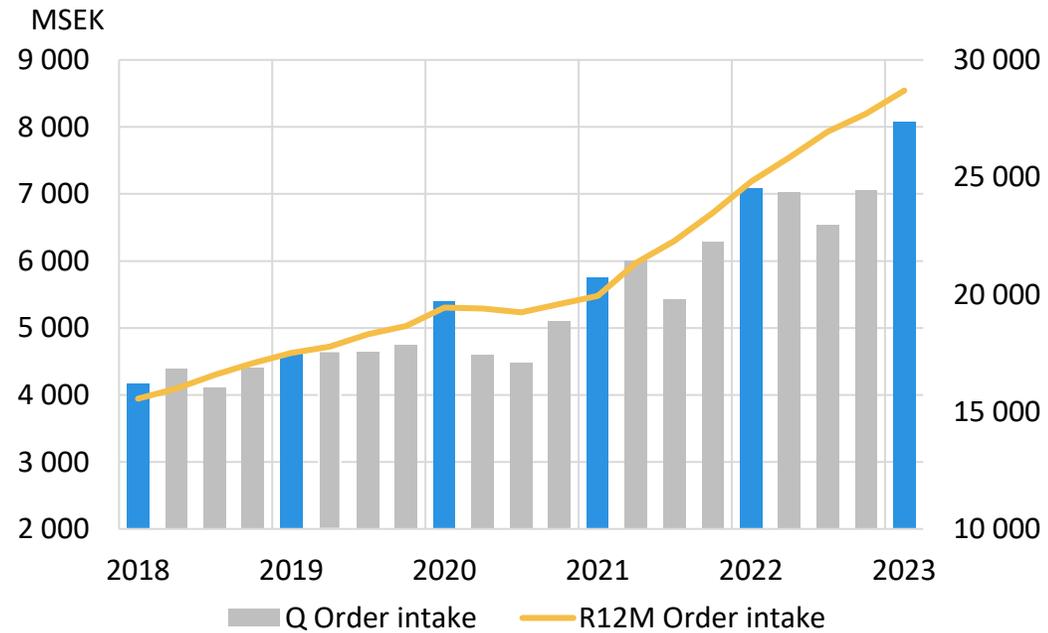
8.1

BSEK

EBITA margin

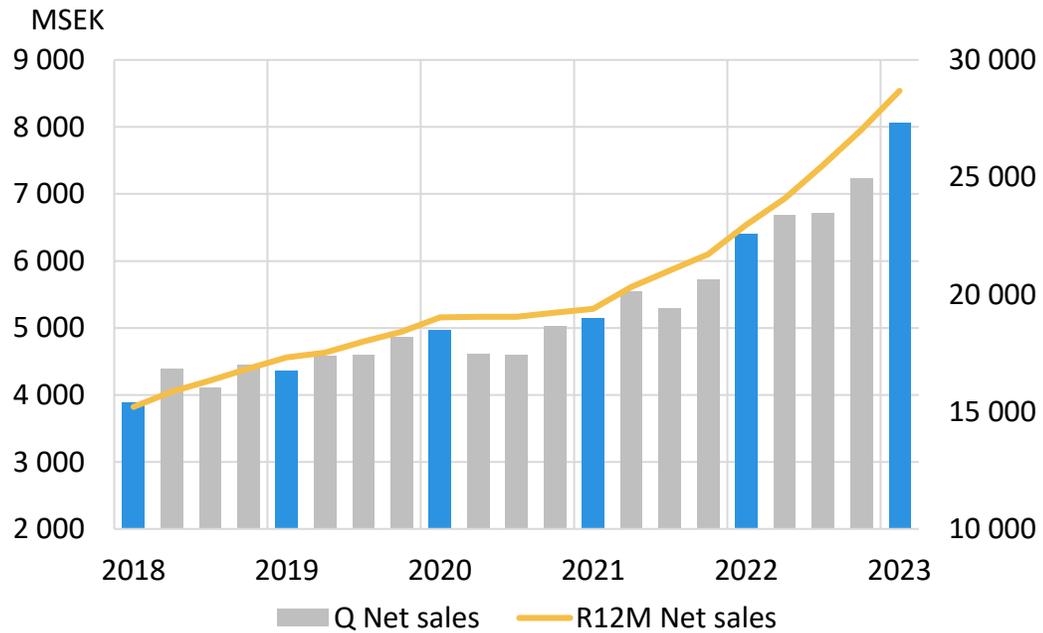
15.2%

Order intake

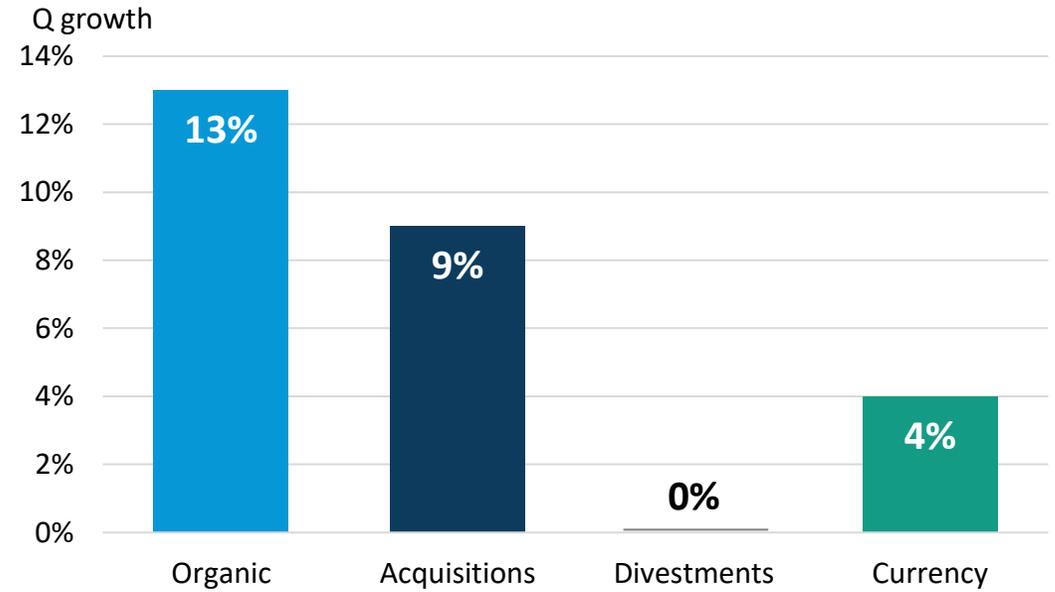


	Q GROWTH	YTD GROWTH	R3Y CAGR
8,076 MSEK	+14%	+14%	+14%

Net sales



QUARTERLY GROWTH



	Q GROWTH	YTD GROWTH	R3Y CAGR
8,063 MSEK	+26%	+26%	+17%

Sales Growth – major countries



+ +



+ +



+ + +



+ +



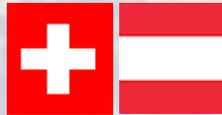
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North America

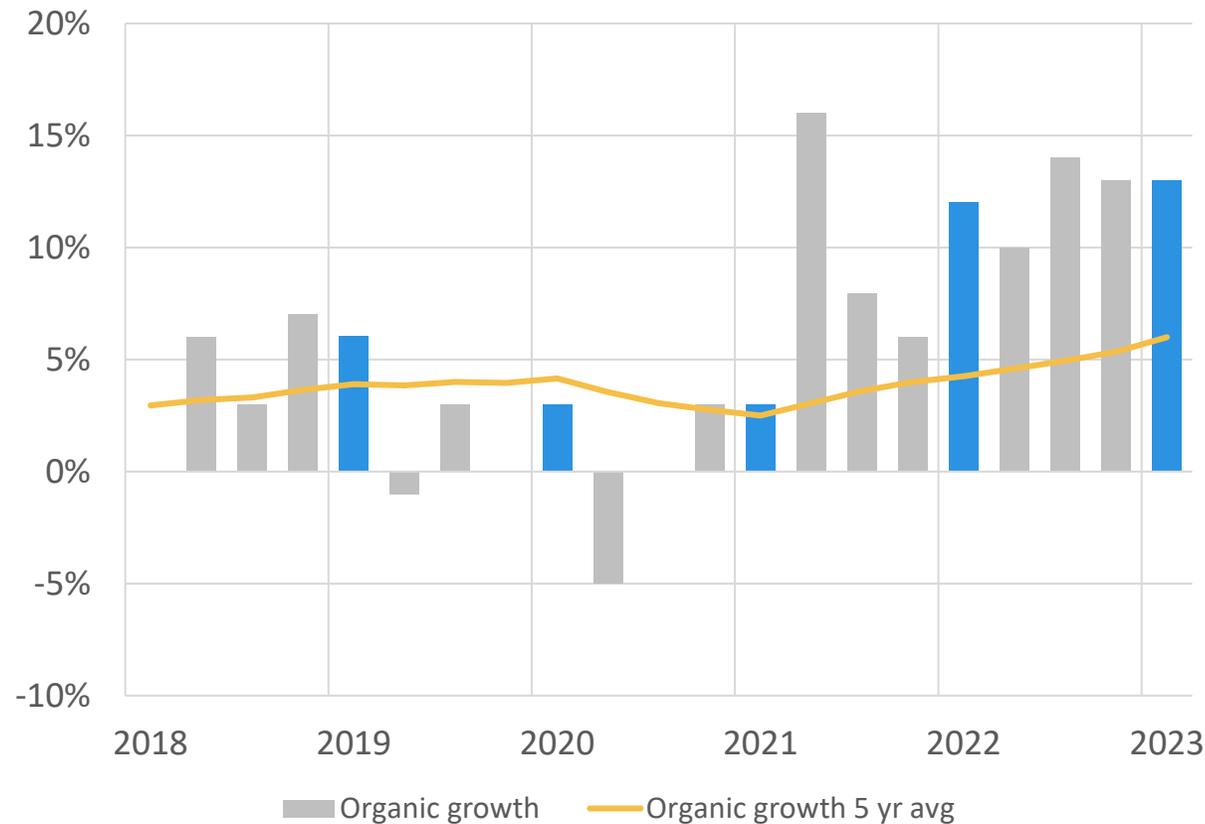
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Asia

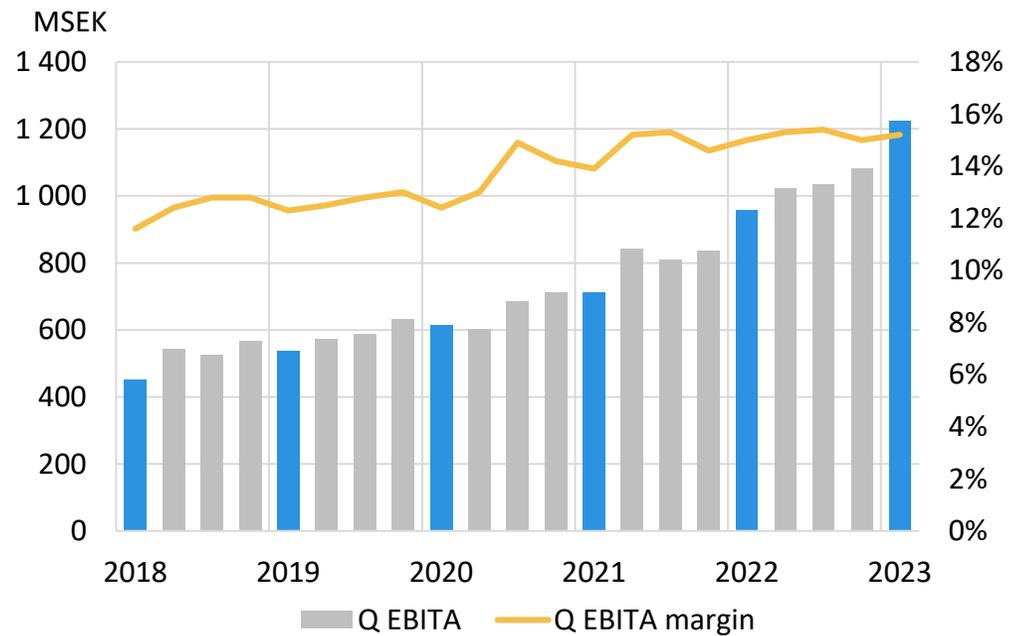
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Organic Sales Growth trend

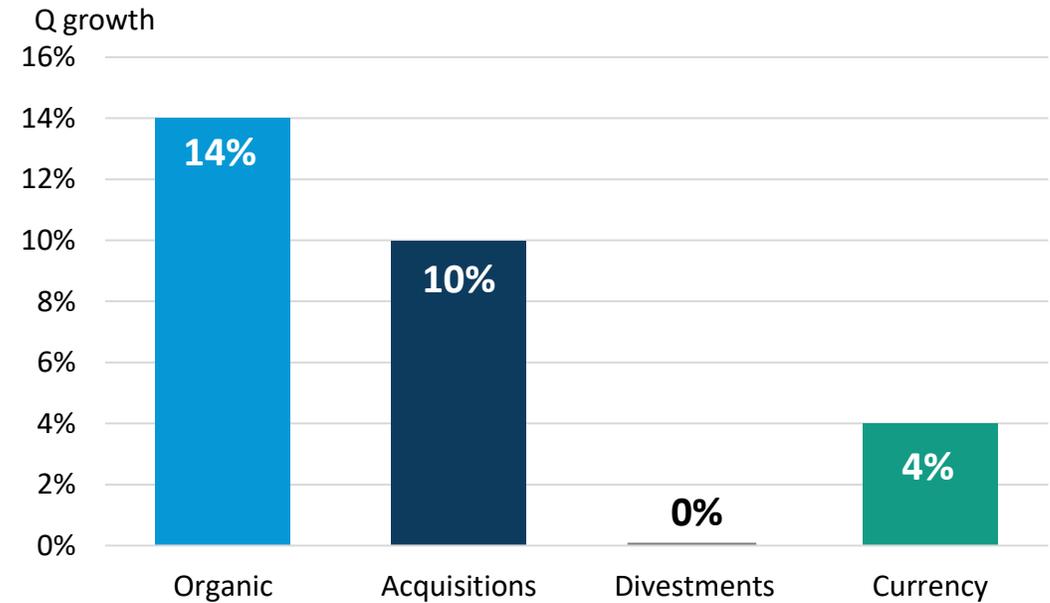


- Organic growth ten consecutive quarters
- Stable high growth rate
- Combination of volume and price
- Organic growth in all Business Areas and most companies
- Strong order back-log

EBITA



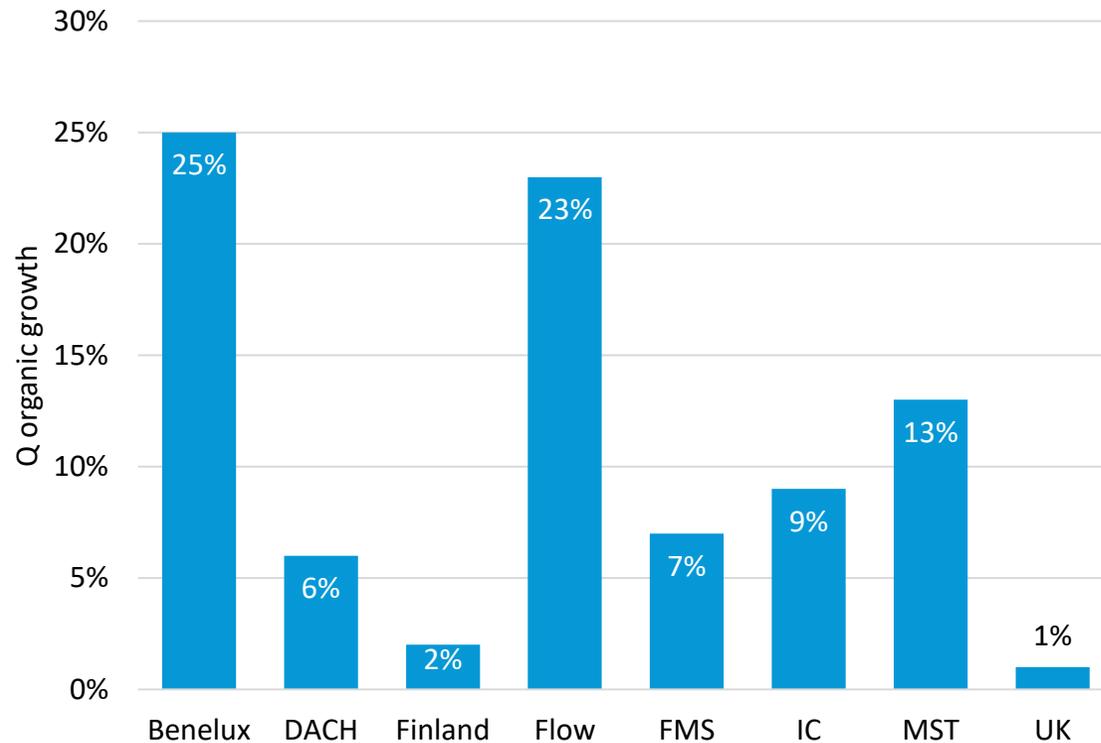
QUARTERLY GROWTH



	Q1-23 MARGIN	Q GROWTH	YTD GROWTH
1,225 MSEK	15.2%	+28%	+28%

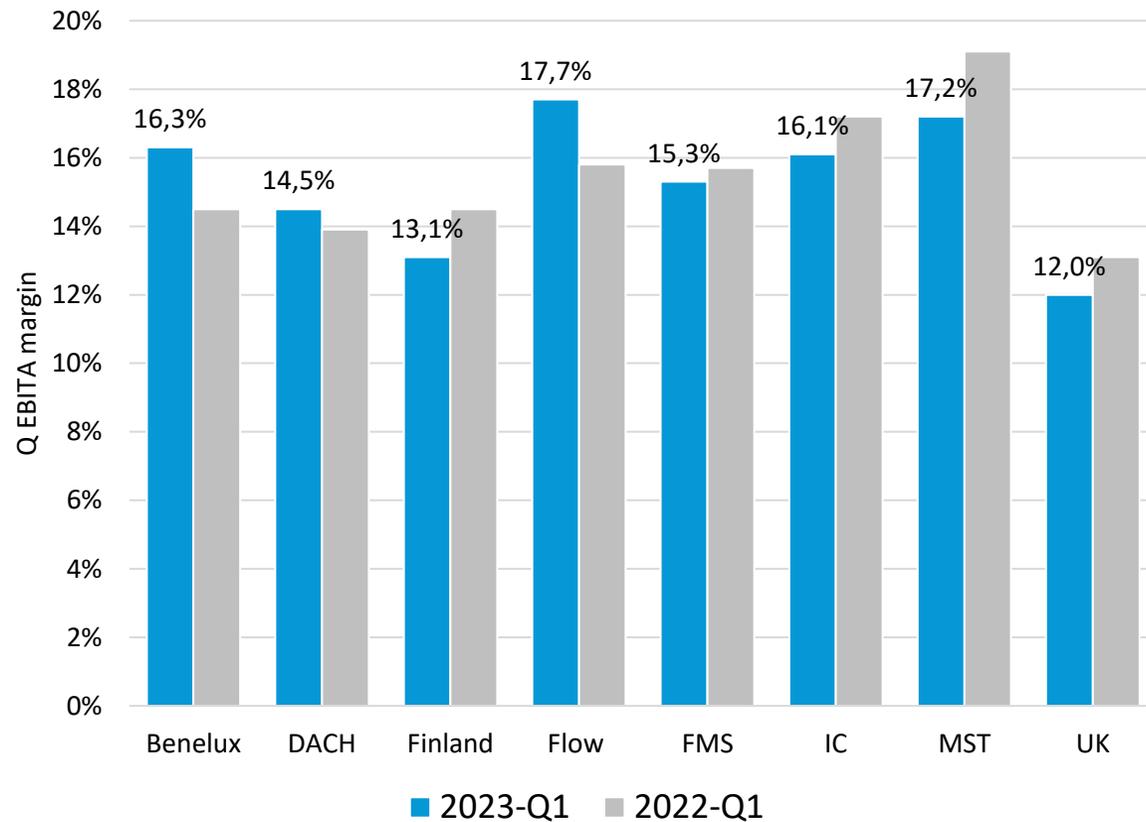
Organic sales growth Q1 by Business Area

Total growth: +48% +24% +9% +27% +30% +19% +33% +4%



- Organic sales growth in all Business Areas
- Strongest growth in Business Areas Benelux and Flow Technology
 - Positive development in all segments and almost all companies
- Dampened growth in Business Areas Finland and UK
 - Around half of the companies developed positively
 - The growth was held back because of strong references from last year in a few companies
 - Slightly weaker demand in UK compared to other European countries

EBITA margin by Business Area



- Around half of the companies increased their EBITA-margin versus last year
- High and stable gross margins but higher activity and expense levels dampens margin development in many companies
- Margin improvements in Business Areas Flow Technology, Benelux and DACH
 - Strong organic improvement is the main driver in Flow Technology and Benelux
 - Newly acquired companies contribute in DACH

Acquisitions

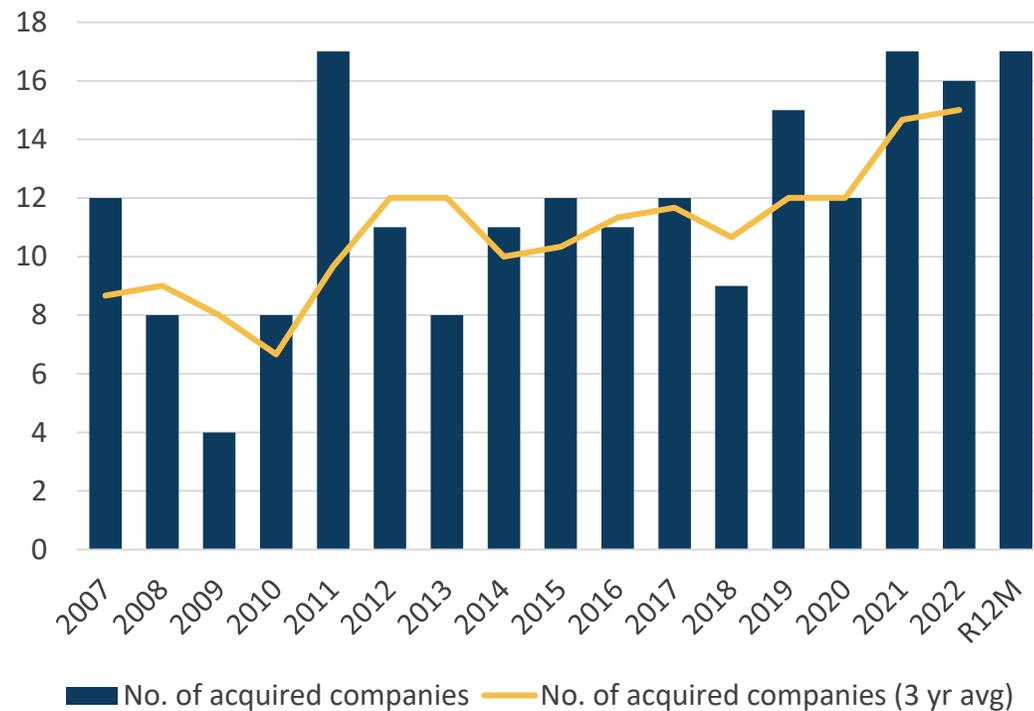
Acquisitions 2023

		Business Area	Annual Sales
Q1	 Sax Lift A/S	FMS	130 MSEK
	 Hobe GmbH	DACH	80 MSEK
	 Siersema Componenten Service B.V.	Benelux	390 MSEK
Q2	 Safematic A/S	FMS	55 MSEK
Total			655 MSEK

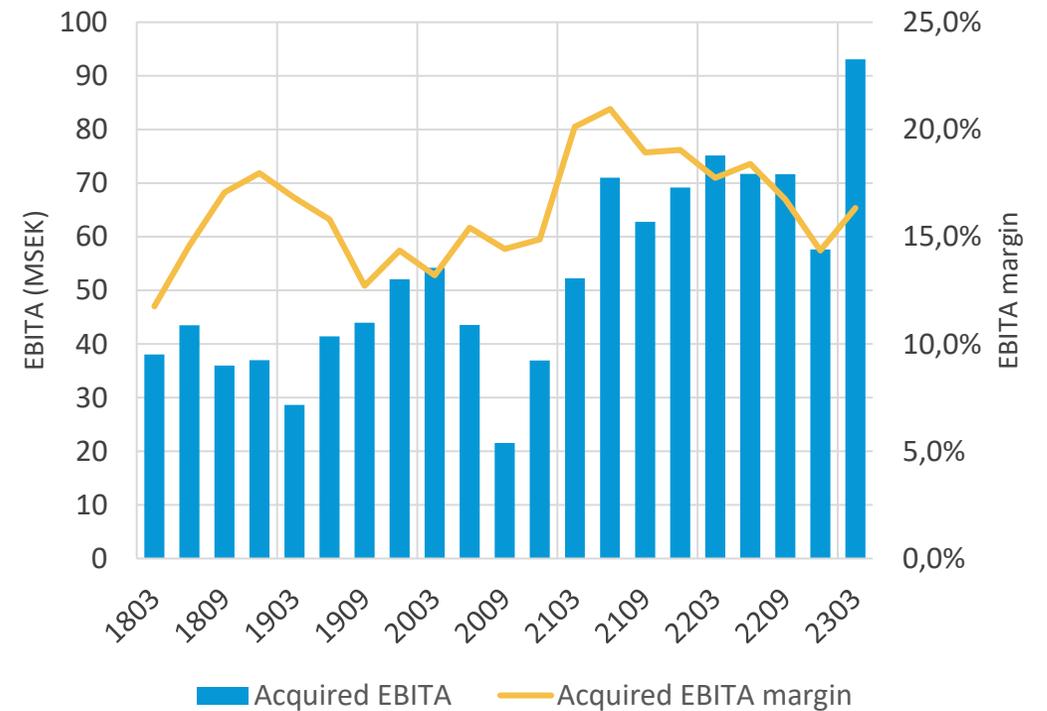


Successful acquisition track record

No. of acquired companies per year



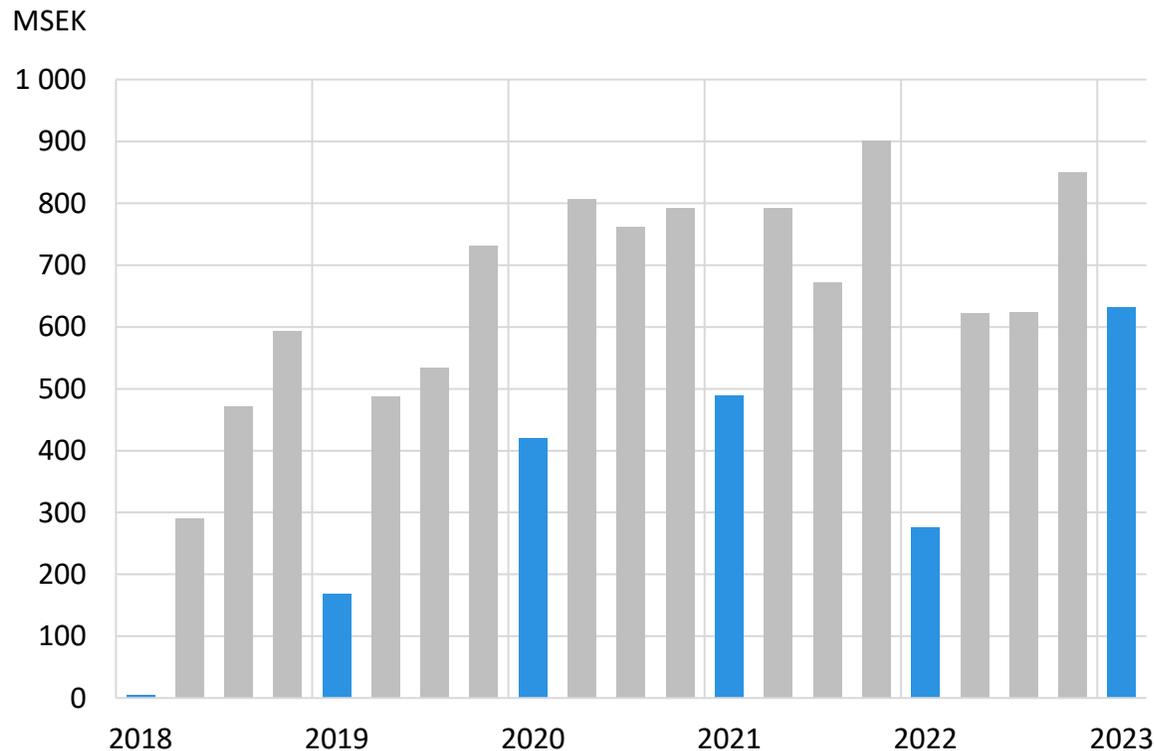
Quarterly financial effects acquisitions*



Key data summary

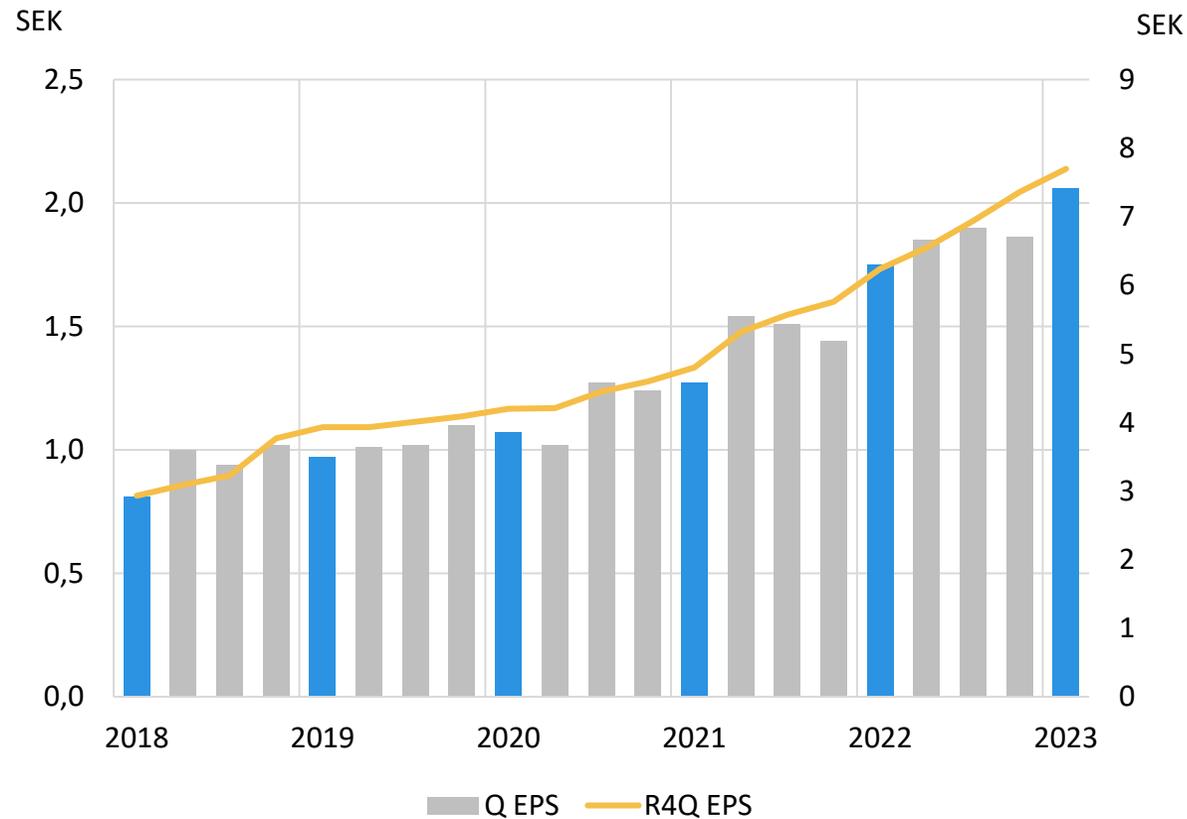
MSEK	2023-Q1	2022-Q1	Change
Order Intake	8,076	7,085	14%
Net Sales	8,063	6,398	26%
Gross margin, %	34.6	34.6	
EBITA	1,225	959	28%
EBITA-margin, %	15.2	15.0	
Net financial items	-98	-35	180%
Tax	-229	-176	30%
Earnings per share (before dilution), SEK	2.06	1.75	18%
Return On Capital Employed, %	22	23	
Cash Flow from operating activities	632	276	129%
Net debt / EBITDA, times	1.8	1.4	

Cash Flow from operating activities



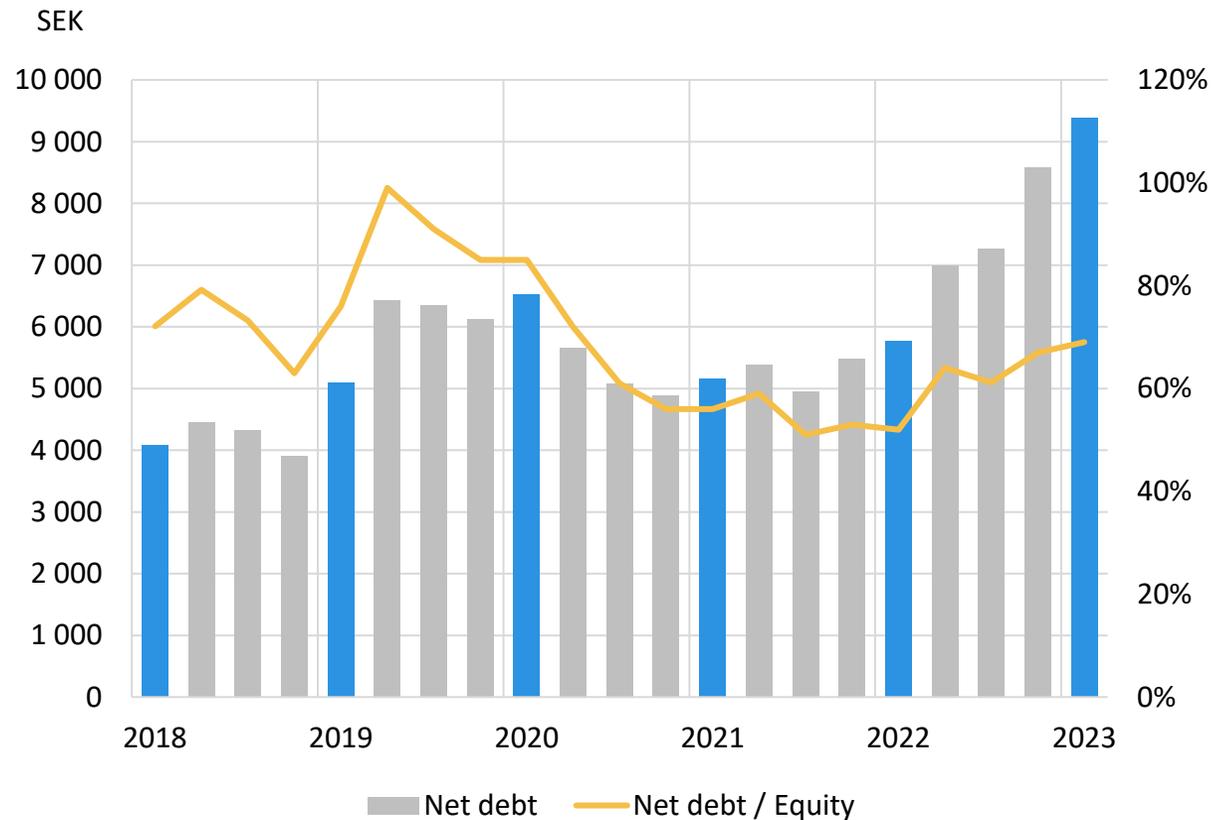
- Operating cash flow during the quarter was 632 (276) MSEK
- The increase versus last year was mainly related to the higher result and a lower working capital build up
- Inventory continued to increase slightly due to the maintained strong demand and remaining supply chain issues
- The working capital efficiency was lower than last year

Earnings per share



- EPS during the quarter grew 18% to SEK 2.06 (1.75) per share
- Improvements mainly driven by higher EBITA
- 3- and 5-year rolling 4Q earnings per share CAGR, were 22% and 21%

Net debt



- The interest-bearing net debt increased to 9,390 (5,766) MSEK
- The increase compared to last year is mainly due to a continued high acquisition pace and a slightly dampened operational cash flow
- Net debt/equity ratio was 69% (52%)
- Net debt/EBITDA was 1.8x (1.4).
Excluding earn-out liabilities 1.6x (1.2)

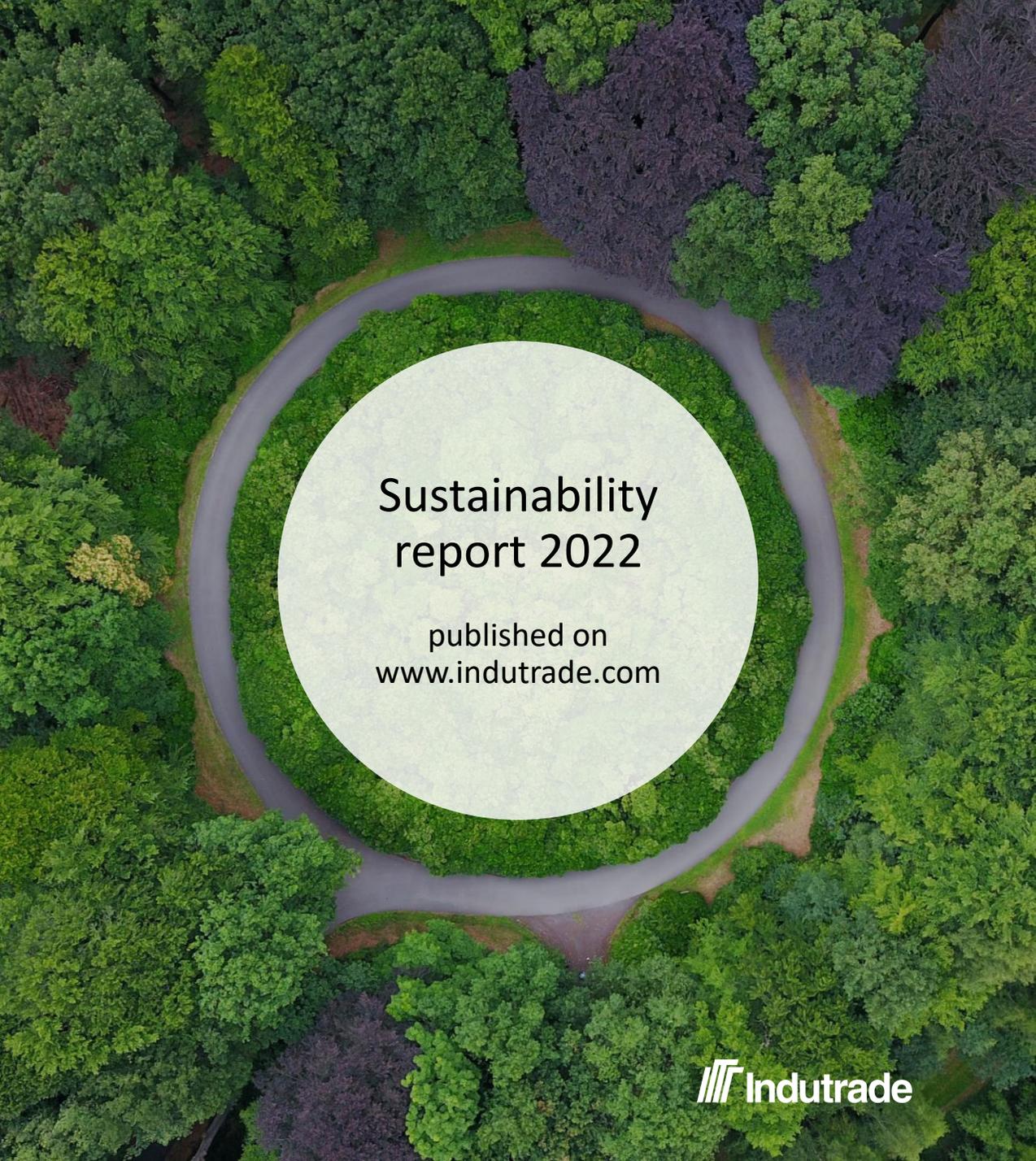
Focus areas for continued development of our strategic platform

 People development	 Knowledge-sharing	 Decarbonisation as a business opportunity	 Professional ownership	 Scalability
<ul style="list-style-type: none">• Leadership development• Indutrade Academy• Recruitment and onboarding• Diversity and inclusion	<ul style="list-style-type: none">• Indutrade Portal• Networks and clusters• Conferences and events• Awards	<ul style="list-style-type: none">• Company CO₂ reductions• Innovation, products and customers• Strategic climate governance	<ul style="list-style-type: none">• Operational decentralisation• Structured governance• Performance measurements & incentives• Portfolio management	<ul style="list-style-type: none">• Management structures• BA resource and competence plans• Shared ways of working

Clear set of strategic focus areas and priorities for continued value creation

Significant progress within sustainability

- ✓ Further development of our sustainability strategy, targets and KPIs
- ✓ Further development of the process for monitoring business areas and the sustainability performance of our companies
- ✓ More focus on climate as a strategic focus area via additional training, support and follow-up
- ✓ Joined the Science Based Targets initiative
- ✓ Initiated Scope 3 reporting
- ✓ Developed and launched additional concrete tools that companies can use for their sustainability work
- ✓ Launched the Indutrade Sustainability Awards and named the first winners
- ✓ Integrated sustainability as a theme in our leadership programmes
- ✓ Active knowledge-sharing in the sustainability network
- ✓ Ongoing dialogue with our stakeholders

An aerial photograph of a lush green forest. A circular path winds through the trees, and in the center of the path is a large white circle. Inside this white circle, the text 'Sustainability report 2022' is written in a bold, black, sans-serif font. Below this, in a smaller font, it says 'published on www.indutrade.com'. The overall scene is vibrant and natural, symbolizing sustainability and environmental care.

Sustainability report 2022

published on
www.indutrade.com

Key takeaways

- New record quarter with continued profitable growth!
- Demand remained high and stable. Continued variations between companies
- Strong sales and profit growth with record Q1 EBITA margin
- Large, high quality order backlog gives confidence for the sales and earnings trend in the near term, although the references will be challenging
- 4 acquisitions so far in 2023, with combined annual sales of SEK 655 million. Good inflow of interesting prospects
- Continuously developing and improving our strategic platform for long-term sustainable, profitable growth!



Thank you!

Q&A



Indutrade

Financial calendar & contact details

20 JULY 2023

Interim Report 1 January – 30 June 2023

27 OCTOBER 2023

Interim Report 1 January – 30 September 2023

1 FEBRUARY 2024

Year-end report 2023

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